

MODERN TOBACCO GROWER

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Welcome to MODERN TOBACCO GROWER, an email newsletter covering the tobacco industry from the leaf producers' side. Please subscribe (if you haven't already) by sending an email to Chrisbickers@gmail.com. Write "Subscribe" and include what type of tobacco you grow (if any) and your mailing address. Or call 919 / 789-4631. We will be back in about a month or whenever developments suggest. Till then, good luck in the field. And thanks once again to our sponsor, Fair Products Inc.

Chris Bickers, Editor

Will flue-cured auctions make a comeback? For the first time in three years, there will be auctions for flue-cured tobacco. The first took place Wednesday (August 12) at the Liberty Warehouse in Wilson NC. Opening day used to be a festive affair at that market, but not this year. According to Marty Owen of Angier NC, who organized the auction, it was a "silent auction": There was no one in the warehouse but the buyers, who took inspecting the tobacco on an individual basis and submitting written bids on the lots they want. Owen reviewed the bids and awarded individual lots to those whose bid were highest, as long as at least one bid met the predetermined minimum price established by each farmer. "There is a need for a sale like this," says Owen, an independent leaf dealer with considerable experience in warehousing. "For the farmer, it provides an additional marketing opportunity--one with more than one 'set' of eyes. For the buyer, it gives selectivity and a chance to buy uncommitted tobacco without going out in the country to find it." Owen hopes to attract as many as 10 prospective buyers each week and to sell 600 bales per sales day. He offered 130,000 pounds from six farmers at the first sale. A few lots didn't attract a bid above the farmer's asking price, and those Owen will try to sell at his next sale. He plans to hold a sale every Wednesday as long as the leaf supply warrants and will schedule additional sales if there is a demand for them. An optimist, Owen thinks he might move 10 million pounds from the 2009 flue-cured crop over the sales floor. He does not plan on making public market reports. "If I publish prices, we might get back pretty quick to where everyone is trying to pay the same thing," he says. The last auctions for flue-cured were two small ones held in 2006 by what is now the US Tobacco Cooperative. But auction burley and dark tobacco sales have continued almost without interruption.

Modern Tobacco Grower's August Crop Update--How USDA sees the 2009 crop.

The August Crop Production report released Wednesday by the USDA's National Agricultural Statistics Service (NASS) indicates that both flue-cured and burley production in this country will increase slightly over last year. Among the individual types:

--Flue-cured production is expected to total 491 million pounds, up 5% from the July forecast but down 2% from 2008. Harvested acres are projected at 214,500, down 4% from last year. Yields are expected to average 2,291 pounds per acre, up 113 pounds from the July forecast and 52 pounds more than a year ago. Growers in North Carolina expect production to total 390 million pounds, up 1% from 2008. In Georgia, yield is forecast at a very low 1,700 pounds per acre.

--Burley production is expected to total 208 million pounds, 3% above last year. Burley growers plan to harvest 98,800 acres, up 1% from 2008. This would be the second lowest burley tobacco acreage on record (behind only 2008). Yields are expected to average 2,107 pounds per acre, up 40 pounds from last year. Kentucky growers expect to produce 157 million pounds, up 7% from 2008.

--Fire-cured production is expected to total 53.8 million pounds, down 13% from 2008. Growers plan to harvest 16,550 acres, down 11% from a year ago. The expected average yield is 3,253 pounds per acre, down 91 pounds from 2008.

--Dark air-cured production is expected to total 17.6 million pounds, down 31% from 2008. Growers plan to harvest 6,100 acres, 28% lower than last year. Yields are expected to average 2,882 pounds per acre, down 99 pounds from 2008.

--Cigar tobacco production is expected to total 8.7 million pounds, up 3% from last year. Harvested acres are projected at 4,950, 3% below a year ago. Yield is expected to average 1,758 pounds per acre, up 99 pounds from 2008.

--The small Southern Maryland production is expected to total almost 5 million pounds, up 31% from 2008. A total of 2,100 acres is expected to be harvested, up 17% from a year ago. Average yields, at 2,350 pounds per acre, are expected to increase 250 pounds from 2008. Almost all production of this type is in Pennsylvania.

Deep South tobacco doing better. The outlook for Georgia's flue-cured crop continues to brighten thanks to timely rains. Still, the average for the state is unlikely to reach the average of the last few years. "We have had very good seasonal rainfall in recent weeks, and the crop is coming off very rapidly now," said J. Michael Moore, Georgia Extension tobacco specialist. "The leaf is curing well." There were some disease problems, especially tomato spotted wilt virus (left) and an unusual outbreak of white mold. Both diseases killed a number of plants, but the spaces have been filled over the last few weeks by remaining plants. Moore thinks the crop will average more than the 1,750 pounds per care projected by USDA in July a month ago but doesn't think it will reach 2,000 pounds per acre.

Dark tobacco withstands strong winds. The dark crop in Kentucky and Tennessee looks better now than it did a month ago, says Andy Bailey, K-T Extension tobacco specialist. "It went from fair-to-good to good or better." About 75% has been topped, and harvest has begun for a few dark growers, mostly those who planted part of their crop early in hopes of using their curing barns twice. This crop has experienced an abundance of rain and relatively cool weather. "We have only had one dry week the entire season," says Bailey. "And temperatures did not reach 90 degrees the entire month of July." The crop got off to a very slow start but seems to be recovering. On the night of August 4 and 5, parts of the crop were bludgeoned by winds of up to 60 miles per hour and heavy rains and scattered hail. "This is a shallow-rooted crop, and tobacco in some fields was blown over or leaned," Bailey says.

Kentucky-Tennessee burley survives blue mold. Rains continued in July and August in Kentucky and Tennessee, and though it has been excessive at times, the condition of the burley crop has improved, says Paul Denton, TN Extension tobacco specialist. "I am definitely more optimistic than the last time I talked to Modern Tobacco Grower. "It looks like an above average crop in Tennessee and at least an average crop in Kentucky." An average yield of a little over 2,000 pounds seems likely in both states, he says. In Kentucky, some burley suffered wind and water damage from the storms of August 4 and 5. There has been another instance of actively sporulating blue mold in Tennessee, on burley in Washington near Johnson City, and on burley in Garrard, Rowan, Wolfe, Lincoln, Harrison, Macon, and Bracken counties in Kentucky and in Adams and Brown counties in Ohio. But it doesn't appear that blue mold will cause a serious loss in burley this season.

Worst blue mold in 20 years in Pennsylvania. There was definitely some loss to blue mold in Pennsylvania. Thanks to a rare appearance of blue mold in the plantbeds this year, farmers carried the disease to the fields, says Jeff Graybill, agronomy agent in Lancaster County PA. "The result was a lot of systemic blue mold. We have some fields where the plants are deformed, and some are very brittle. If we have strong winds, they might be in danger of snapping." Yield and quality has been reduced in some cases, and some fields were abandoned and not replanted. But timely rains helped this crop to compensate, and production appears to be about average, says Graybill.

Wet, cold weather wipes out cigar types. North of Pennsylvania, Massachusetts cigar tobacco producers had blue mold too, but its effect was minor compared to the heavy rains and low temperatures. "A lot of farmers are saying this is the worst crop that they can remember," said Ted Smiarowski, area agent for the Farm Services Agency, in August. "There wasn't any 'drying' weather, so the crops stayed damp and diseases settled in." Three quarters of the state's tobacco is a total loss, he estimated.

Cold July slows growth in Ontario. It was the coldest July on record in southern Ontario, with an average temperature of about 64 degrees F. The normal average temperature in July is close to 70 degrees F. Much of the tobacco-growing area also received excessive rains. But the tobacco in the province (almost all flue-cured) withstood the conditions reasonably well, says Dan Van Hooren of the Canadian Tobacco Research Foundation. "For the weather we have had, it is not too bad a crop," he tells Modern Tobacco Grower. "It is behind and needs warm temperatures to fill out the top of the plant and help it mature. This is not likely to be a heavy crop, but if we get warmer temperatures, a normal yield is certainly within reach." Most farmers had begun harvesting by August 10. One bit of good luck: Blue mold hasn't yet reached the province.

How the world market looks to a leaf dealer. Flue-cured remains in tighter supply worldwide than burley, says Robert E. Harrison, chief executive officer, Alliance One International. "[This] continues to place upward pressure on green prices paid to farmers and in turn prices paid by our customers," he says. And the supply situation for burley has changed somewhat since the beginning of the season. "Burley tobacco [which] appeared to be in greater supply...due to the larger Malawi crop, have tightened some as Malawi crop size estimates have declined."

When to plant burley in non-traditional areas. It's been suggested that burley growers in the non-traditional areas plant as early as possible to get the crop grown "before it gets hot." But David Reed, Virginia tobacco specialist, isn't convinced. "You might not have it growing in the hottest part of the season if you plant early," he says. "But your harvest will take place in hot weather, and part of your curing will too. That may cause bigger problems."

A way to harvest burley with minimum labor. Cutting burley with a hatchet, spearing it on sticks and hanging it in pole barns has not proven to be the most effect method of harvesting and curing the type, says Joseph French, superintendent of the Upper Piedmont Research Station in Reidsville NC. "What we do here is cut the stalk using a weed eater with a blade and let the stalks fall to the ground," says French. "Then we gather the stalks and notch them (at one place) with a mechanical notcher and hang them from a wire rack. We use a rolling hydraulic lift to and hang the racks in a frame. Once the tobacco is cured, we put the racks on a dolly and take them to a packhouse till we are ready to strip them."

Wilt no more than five days. Three or four days is long enough to wilt your burley, says Paul Denton, TN Extension tobacco specialist. "We are seeing growers leave tobacco out five or six or seven days after cutting," he says. "That gives it lots of

opportunity to dry out which sets the conditions for flash cure." A three-day wilt is ideal, he says, and five days should be the maximum. And once your tobacco is hung, be ready to close the barn up and control humidity if you have the capacity to do so.

Straight Talk by Frank Grainger. Just what effect regulation by the Food and Drug Administration (FDA) is going to have on farm level tobacco production is very much in the air. Personally, I have no doubt that some effort to lower TSNAs (tobacco specific nitrosamines) on cured leaf is going to be very high on the agency's priority list. I say that because the World Health Organization has already targeted TSNAs as very harmful agents in cigarette smoke, and to be "politically correct" in public health circles, the FDA will have to fall in line. And to be honest, TSNAs make an easy target: Even the growers and the manufacturers agree that they are undesirable and that everyone involved should share in reducing or eliminating them. I agree with that myself, but I am afraid of how this will hit flue-cured growers, especially considering that most of the heat exchangers that were installed to reduce TSNAs are 10 or so years old and in need of upgrading. Do we need the FDA looking over our shoulders while we do it? I don't think so. Get there first. I suggest that you get your curing barns checked soon for TSNAs, with the advice of your contracting company, and take whatever steps it indicates to bring your barns into compliance. The best time to do this is at the end of the season, because you are going to need power and heat on at the barn at the time of the test. One way or another, I expect that all buyers will require some sort of barn certification for next season. My advice is to be one of the first to take care of all this so you are ready to contract for the 2010 season.

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In the next issue of *Tobacco News*, US Ag Secretary Tom Vilsack addresses the notion that FDA will visit tobacco farms in the future, says Publisher Rocky Womack. During a recent tour through Virginia, Vilsack spoke directly to *Tobacco News* on this worrisome issue. Read what his comments were by subscribing to *Tobacco News*, a bimonthly print newsletter that informs and highlights tobacco growers. Send \$27.50 for an annual subscription to Rocky Womack Communications, 328 Brentwood Drive, Danville VA 24540.